

# The DAILY PLAN-IT<sup>TM</sup>

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## ***Did Jeffrey Epstein Use Estate Planning to Cheat His Alleged Victims?***

Two days before millionaire and convicted sex offender Jeffrey Epstein, 66, hung himself in a federal jail cell, [he wrote a will](#).

The 21-page document was filed one day later in St. Thomas in the U.S. Virgin Islands, and it placed his entire fortune (estimated at \$577.7 million) into a trust, according to the New York Post.

Epstein was awaiting trial on federal charges of running a sex trafficking ring between 2002 and 2005, involving girls as young as 14. In 2008, he was convicted in Florida of procuring an underage girl and was registered as a sex offender.

I'm writing about this not because it's a salacious estate planning related news item - of which there are many every year. I bring it to your attention because it raises questions your clients might have about protecting assets from future creditors and lawsuits.

*"If I cause a car accident in the future and someone is maimed or killed due to my fault, what can I do now to protect my beneficiaries from paying the price?"*

*"My son has a gambling addiction and has made many poor financial choices. What can I do, so that my grandchildren aren't cheated out of an inheritance?"*

### **Timing Brings Questions**

A lot of people are speaking to the media theorizing that Epstein created the will and trust because he fully intended to take his own life soon and was determined to shelter his assets from potential claimants (i.e., creditors and his victims).

That's possible, but doubtful. Most trusts created for asset protection must be prepared years in advance. In some cases, trusts are created as much as 10 years in advance to firmly establish creditor protection.

I don't think Epstein did this as a creditor protection strategy. If so, it fails miserably. Meaning, like malpractice on its face.

A primary function of filing a will in probate court is to make sure creditors are paid.

I think this was primarily a privacy clean-up move for whomever he named as beneficiaries. You don't put a will into probate naming all the assets if you wanted to beat creditors. If anything, you put it into probate to organize and pay off creditors.

It's kind of foolish to be that wealthy and to do a will as a centerpiece of your estate plan.

While no other previous estate planning documents have surfaced, I think anyone with half a billion in assets likely already had a trust plan. If Epstein didn't, that would be truly odd because transferring \$577.6 million in various assets into a new trust takes a few to several days to pull off.

### **A \$250K Fee for Executors?!?**

Due to the privacy protections that his trust provides, the names of beneficiaries and trustees have not been released. However, the trust's executors were listed as Darren Indyke and businessman Richard Kahn. A third man, Boris Nikolic, was named as an alternate executor, though he told *Bloomberg* that he had ["no intent to fulfil these duties."](#)

The executors [will receive \\$250,000 apiece for their work on the estate,](#) in addition to "reasonable" expenses related to the job, according to the New York Post.

With \$56 million in cash, \$1 million in planes, cars and boats, and \$194 million in a hedge fund and private investments, Epstein also owned multi-million-dollar homes in Palm Beach, New Mexico, Paris and New York, and two islands in the U.S. Virgin Islands.

### **It's Far from Over**

While Epstein's suicide deprived his alleged victims of the opportunity to face him in court, at least five women are suing his estate, claiming that they were sexually assaulted. One woman, now 32, claims Epstein molested her when she was 14.

One option that has been reported on is that Epstein's alleged victims could argue it was a "fraudulent transfer action," also known as a voidable transactions act. If they succeed, that would unwind any transfers into the trust and allow them to be reachable.

Epstein's state of mind and his true intent for why he wrote the will two days before killing himself are likely never going to be known for sure.

What is for sure is that your clients should never put off making estate planning decisions until they face dire circumstances. Waiting until the last minute puts their plan at risk of being contested by heirs or creditors.

We hope this information is useful to you and helps your clients and their families. If you have a specific case or a question, please don't hesitate to call our office.

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